

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Energy and Environmental Affairs, to which was referred House Bill No. 1110, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 4-23-5.5-14 IS AMENDED TO READ AS
- 4 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 14. (a) The Indiana
- 5 recycling promotion and assistance fund is established. The purpose of
- 6 the fund is to promote and assist recycling throughout Indiana by
- 7 focusing economic development efforts on businesses and projects
- 8 involving recycling. The fund shall be administered by the board.
- 9 (b) Sources of money for the fund consist of the following:
- 10 (1) Appropriations from the general assembly.
- 11 (2) Repayment proceeds of loans made from the fund.
- 12 (3) Gifts and donations.
- 13 (4) Money from the solid waste management fund.
- 14 (c) Money remaining in the fund at the end of a state fiscal year does
- 15 not revert to the state general fund.
- 16 (d) The board may use money in the fund to make loans to assist:
- 17 (1) persons in establishing new recycling businesses;
- 18 (2) in the expansion of existing recycling businesses; and
- 19 (3) manufacturers in retrofitting equipment necessary to reuse or
- 20 recycle secondary materials.

1 (e) The board shall establish loan:

2 (1) amounts;

3 (2) terms; and

4 (3) interest rates.

5 (f) The board may use money in the fund to make grants for research
6 and development projects involving recycling. The board shall establish
7 amounts for grants.

8 (g) A person, business, or manufacturer that wants a grant or loan
9 from the fund must file an application with the board.

10 (h) The board shall establish criteria for awarding grants and loans
11 under this section.

12 **(i) The board may transfer money in the fund to the state solid**
13 **waste management fund established by IC 13-20-22-2 for use by**
14 **the department of environmental management to make payments**
15 **under IC 13-20-17.7-6.**

16 SECTION 2. IC 13-11-2-16.3 IS ADDED TO THE INDIANA
17 CODE AS A NEW SECTION TO READ AS FOLLOWS
18 [EFFECTIVE JULY 1, 2006]: **Sec. 16.3. "Automotive salvage**
19 **recycler", for purposes of this chapter, means a business that:**

- 20 (1) **acquires damaged, inoperative, discarded, abandoned, or**
21 **salvage motor vehicles, or their remains, as stock-in-trade;**
22 (2) **dismantles and processes the vehicles or remains for the**
23 **reclamation and sale of reusable components and parts; and**
24 (3) **disposes of recyclable materials to a scrap metal processor**
25 **or other appropriate facility.**

26 SECTION 3. IC 13-11-2-16.5 IS ADDED TO THE INDIANA
27 CODE AS A NEW SECTION TO READ AS FOLLOWS
28 [EFFECTIVE JULY 1, 2006]: **Sec. 16.5. "Automobile scrapyard",**
29 **for purposes of this chapter, means a business organized for any of**
30 **the following purposes:**

- 31 (1) **Processing scrap metal.**
32 (2) **Wrecking automobiles.**
33 (3) **Operating a junkyard."**

34 Page 1, line 7, delete "or scrap recycling facility".

35 Page 2, between lines 10 and 11, begin a new paragraph and insert:

36 "SECTION 6. IC 13-11-2-104.5 IS ADDED TO THE INDIANA
37 CODE AS A NEW SECTION TO READ AS FOLLOWS
38 [EFFECTIVE JULY 1, 2006]: **Sec. 104.5. "Hulk crusher", for**
39 **purposes of this chapter, means an enterprise that engages in the**
40 **business of handling and flattening, compacting, or otherwise**
41 **demolishing motor vehicles or their remains for economical**

1 **delivery to a scrap metal processor or other appropriate facility."**

2 Page 2, between lines 27 and 28, begin a new paragraph and insert:

3 "SECTION 9. IC 13-11-2-130.1 IS ADDED TO THE INDIANA
4 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2006]: **Sec. 130.1. "Motor vehicle", for**
6 **purposes of this chapter, means a vehicle that is self-propelled on**
7 **a highway in Indiana. The term does not include a farm tractor or**
8 **a motorized bicycle.**

9 SECTION 10. IC 13-11-2-130.2 IS ADDED TO THE INDIANA
10 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
11 [EFFECTIVE JULY 1, 2006]: **Sec. 130.2. "Motor vehicle**
12 **manufacturer", for purposes of this chapter, means a person that**
13 **is engaged in the business of manufacturing or assembling new**
14 **motor vehicles for sale to any of the following:**

- 15 (1) **Dealers.**
- 16 (2) **Wholesale dealers.**
- 17 (3) **Distributors.**
- 18 (4) **The general public.**

19 SECTION 11. IC 13-11-2-130.3 IS ADDED TO THE INDIANA
20 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
21 [EFFECTIVE JULY 1, 2006]: **Sec. 130.3. "Motor vehicle recycler",**
22 **for purposes of IC 13-20-17.7, means any of the following:**

- 23 (1) **An automotive salvage recycler.**
- 24 (2) **An automobile scrapyard.**
- 25 (3) **A hulk crusher.**
- 26 (4) **A scrap metal processor.**
- 27 (5) **A vehicle disposal facility.**

28 SECTION 12. IC 13-11-2-196.5 IS ADDED TO THE INDIANA
29 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
30 [EFFECTIVE JULY 1, 2006]: **Sec. 196.5. "Scrap metal processor",**
31 **for purposes of this chapter, means a private, commercial, or**
32 **governmental enterprise:**

- 33 (1) **that has facilities for processing iron, steel, or nonferrous**
34 **scrap; and**
- 35 (2) **whose principal product is scrap iron, scrap steel, or**
36 **nonferrous scrap for sale for remelting purposes.**

37 SECTION 13. IC 13-11-2-245.2 IS ADDED TO THE INDIANA
38 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
39 [EFFECTIVE JULY 1, 2006]: **Sec. 245.2. (a) "Vehicle disposal**
40 **facility", for purposes of this chapter, means a person, firm, limited**

liability company, corporation, or other legal entity that, in the course of business, engages in the acquisition and dismantling or demolition of motor vehicles, motorcycles, semitrailers, or recreational vehicles or their remains for the benefit of reusable components and parts or recyclable materials.

(b) The term includes the following enterprises:

(1) An automotive salvage recycler.

(2) A hulk crusher.

(c) The term does not include a scrap metal processor."

Page 2, line 32, delete "Manufacturers of motor vehicles" and insert "(a) Except as provided in subsection (b), motor vehicle manufacturers".

Page 2, line 41, delete "January 1," and insert "October 1, 2006;".

Page 2, line 42, delete "2007;".

Page 3, between lines 2 and 3, begin a new paragraph and insert:

"(b) Subsection (a) does not apply to a motor vehicle manufacturer that has never installed mercury switches in the manufacturer's motor vehicles."

Page 3, line 3, after "Sec. 2." insert "(a)".

Page 3, delete lines 5 through 6.

Page 3, line 7, delete "(2)" and insert "(1)".

Page 3, line 11, after "vehicles" insert "might".

Page 3, line 16, delete "(3)" and insert "(2)".

Page 3, line 18, delete "(4)" and insert "(3)".

Page 3, line 20, delete "(5)" and insert "(4)".

Page 3, line 22, delete "(6)" and insert "(5)".

Page 3, line 25, delete "subdivision (8)" and insert "subdivision (7)".

Page 3, line 35, delete "(7)" and insert "(6)".

Page 3, line 36, delete "(8)" and insert "(7)".

Page 3, line 40, delete "and thereafter." and insert "through 2016."

Page 3, line 41, delete "(9)" and insert "(8)".

Page 4, between lines 1 and 2, begin a new paragraph and insert:

"(b) The department shall:

(1) prepare an annual report that includes the information tracked under subsection (a)(5); and

(2) provide the report to:

(A) the legislative council in an electronic format under IC 5-14-6; and

(B) the environmental quality service council."

1 Page 4, line 19, delete "and solicit public comment on the plan." and
 2 insert **"of a period of at least thirty (30) days during which the**
 3 **public may submit written comments on the plan to the**
 4 **commissioner."**

5 Page 4, line 20, delete "ninety (90)" and insert **"one hundred twenty**
 6 **(120)"**.

7 Page 4, line 42, delete "review" and insert **"make a determination**
 8 **on"**.

9 Page 5, line 10, after "modify" insert **"and implement"**.

10 Page 5, delete lines 12 through 15, begin a new paragraph and insert:

11 **"Sec. 5. (a) Beginning thirty (30) days after the earliest date the**
 12 **commissioner approves a plan under section 4 of this chapter, a**
 13 **motor vehicle recycler is required to remove all mercury switches**
 14 **from each end of life vehicle the motor vehicle recycler receives**
 15 **upon receipt of the vehicle."**

16 Page 5, line 20, delete "scrap recycling facility" and insert **"motor**
 17 **vehicle recycler"**.

18 Page 5, line 22, delete "scrap" and insert **"motor vehicle recycler"**.

19 Page 5, line 23, delete "recycling facility".

20 Page 5, line 25, delete "vehicle recycler, scrap recycling facility," and
 21 insert **"motor vehicle recycler"**.

22 Page 5, line 36, delete "scrap recycling facility" and insert **"motor**
 23 **vehicle recycler"**.

24 Page 5, between lines 39 and 40, begin a new paragraph and insert:

25 **"Sec. 6. (a) Subject to subsections (b), (c), and (d), a person is**
 26 **entitled to payment from the department for each mercury switch**
 27 **the person removes from an end of life vehicle under section 5(a)**
 28 **of this chapter.**

29 **(b) The commissioner shall establish:**

30 **(1) the amount of the payment under subsection (a), which**
 31 **must be:**

32 **(A) at least one dollar (\$1); and**

33 **(B) not more than five dollars (\$5);**

34 **per mercury switch; and**

35 **(2) a procedure for claims for payment under this section.**

36 **(c) The commissioner shall determine:**

37 **(1) whether to use money in the state solid waste management**
 38 **fund; and**

39 **(2) if the commissioner determines under subdivision (1) to**
 40 **use money in that fund, the amount of money from the fund to**

1 **be used;**
2 **to make payments under this section.**
3 **(d) The department is required to make payments under this**
4 **section only to the extent of the amount of money determined by**
5 **the commissioner under subsection (c)(2)."**
6 Page 5, line 40, delete "Sec. 6." and insert "**Sec. 7.**".
7 Page 5, line 42, delete "Sec. 7." and insert "**Sec. 8.**".
8 Page 6, line 7, delete "Sec. 8." and insert "**Sec. 9.**".
9 Page 6, after line 7, begin a new paragraph and insert:
10 "SECTION 15. IC 13-20-22-2 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) The state solid
12 waste management fund is established to provide money for the
13 following:
14 (1) Programs that provide grants and loans that provide education
15 and promote the following:
16 (A) Recycling and the use of recycled materials.
17 (B) Waste reduction.
18 (C) Management of yard waste.
19 (2) Providing grants to implement household hazardous waste
20 source reduction or recycling projects.
21 (3) Providing grants for household hazardous waste and
22 conditionally exempting small quantity generator waste collection,
23 recycling, or disposal projects under IC 13-20-20.
24 **(4) Payments by the department under IC 13-20-17.7-6.**
25 (b) The expenses of administering the fund shall be paid from money
26 in the fund.
27 (c) The sources of money for the fund are the following:
28 (1) All fees deposited into the fund under section 12(2) of this
29 chapter.
30 (2) Accrued interest and other investment earnings of the fund.
31 (3) Appropriations made by the general assembly.
32 (4) Gifts and donations from any person to the fund.
33 **(5) Civil penalties imposed under IC 13-30-4 and fines**
34 **imposed under IC 13-30-6 for violations of IC 13-20-17.7.**
35 **(6) Subject to subsection (f), assets assigned and other**
36 **contributions made by persons interested in reducing**
37 **mercury emissions into the environment.**
38 **(7) Transfers from the Indiana recycling promotion and**
39 **assistance fund under IC 4-23-5.5-14(i).**
40 (d) The treasurer of state shall invest the money in the fund not
41 currently needed to meet the obligations of the fund in the same manner

as other public money may be invested.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(f) Money in the fund resulting from assets assigned and other contributions made under subsection (c)(6) may be used only by the department of environmental management to make payments under IC 13-20-17.7-6.

SECTION 16. IC 13-30-4.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]:

Chapter 4.5. Supplemental Environmental Project Credit Bank

Sec. 1. The commissioner may allow entities regulated by the department to bank:

(1) the documented value, as determined by the commissioner, of environmentally beneficial activities that are not required by law or by rule; and

(2) the actual value of contributions by the regulated entity to the solid waste management fund under IC13-20-22-2(c)(6).

Sec. 2. Subject to sections 3 and 4 of this chapter, the value of the credits of a regulated entity in the bank may be used to pay a portion of any gravity based penalty otherwise collectable under IC 13-30-4 that is assessed against that regulated entity after the date the credit is established.

Sec. 3. (a) Subject to subsection (b), the part of a regulated entity's assessed gravity based penalty that may be satisfied by the entity's credit balance in the bank may not exceed the product of:

(1) the amount of the penalty; multiplied by

(2) a percentage determined by the commissioner.

(b) The commissioner may not determine a percentage under subsection (a)(2) that exceeds ninety percent (90%).

Sec. 4. (a) Except as provided in subsection (b), the commissioner shall reduce the credit value of the credits in the bank by a factor determined by the commissioner so that the actual credit against an assessed gravity based penalty is not less than ten percent (10%) and not more than eighty percent (80%) of the nominal value of the credits.

(b) Subsection (a) does not apply to credits in the bank that result from cash contributions under section 1(2) of this chapter."

Renumber all SECTIONS consecutively.

(Reference is to HB 1110 as printed January 27, 2006.)

and when so amended that said bill do pass .

Committee Vote: Yeas 7, Nays 0.

Senator Gard, Chairperson